



RADCOM

Q2-25 Earnings

August 13, 2025



Benny Eppstein

CEO



Hadar Rahav

CFO

SAFE HARBOR PROVISION

This conference call will contain forward-looking statements. Forward-looking statements in the conference call involve several risks and uncertainties, including, but not limited, to the Company's statements about its momentum, strategic direction and goals, market position and trajectory, future execution and delivery of value to customers, strengthening its core customer base, development of and enhancing strategic partnerships and expected benefits from collaborations, the success of new technologies, including AI, to, among other things, enhance automation, pipeline, opportunities and customer engagements, demand for its products and solutions, including AI capabilities, trends in the market, innovation, expanding its business, the expected benefits of its AI-driven assurance solutions, its expectations with respect to gross margins, research and development and sales and marketing expenses, its expectations regarding grants from the Israel Innovation Authority, expectations regarding the impact of foreign exchange rates and potential tariffs, expectations regarding the growth and convergence of 5G and AI, its ability to deliver consistent value while driving operational excellence and long-term shareholder returns and its full-year 2025 revenue guidance and future growth and profitability. The Company does not undertake to update forward-looking statements.

The full safe harbor provisions, including risks that could cause actual results to differ from these forward-looking statements, are outlined in today's press release and the Company's SEC filings.

NON-GAAP FINANCIAL MEASURES

In this conference call, management will refer to certain non-GAAP financial measures, which are provided to enhance the user's overall understanding of the Company's financial performance. By excluding non-cash stock-based compensation that has been expensed in accordance with ASC Topic 718, financial income (expenses) related to acquisitions, and amortization of intangible assets related to acquisitions, non-GAAP results provide information helpful in assessing RADCOM's core operating performance and evaluating and comparing the results of operations consistently from period to period.

The presentation of this additional information is not meant to be considered a substitute for the corresponding financial measures prepared in accordance with generally accepted accounting principles. Investors are encouraged to review the reconciliations of GAAP to non-GAAP financial measures included in the quarter's earnings release, available on our website, www.radcom.com.

AGENDA

1

Business performance and company strategy

Benny Eppstein

Chief Executive Officer

2

Financial results and performance

Hadar Rahav

Chief Financial Officer

3

Q&A

TODAY'S SPEAKERS



Benny Eppstein
Chief Executive Officer



Hadar Rahav
Chief Financial Officer



Benny Eppstein
Chief Executive Officer

Business performance and company strategy

Q2-25: 19.3% REVENUE INCREASE AND IMPROVED PROFITABILITY

Quarterly Revenue	Operating Margin (Non-GAAP)*	Cash Generation (No debt)
New Quarterly Revenue Record	Improved profitability	Ended Q2-25 with record-high cash and bank deposits
\$17.7M	19.5% Operating Margin	\$101.6M
19.3% YoY increase	4.1% YoY increase	\$2.6M Positive cash flow

* Non-GAAP. See reconciliation tables in slide 22.

COMPANY STRATEGY

Ongoing R&D Investment

- Continuing our investment in R&D
- Advancing our development in agentic AI (agent-to-agent and multi-model workflows)

Partnership Activity

- Our initial partnership announcements have generated customer interest
- Involved in several POCs in the lab for our high-capacity user plane analytics
- Potential to expand our addressable market and drive deeper customer engagements

Key Target Markets

- Remain focused on our key markets, North America, Japan, and EMEA
- Currently engaged in field trials with Tier 1 operators and executing multiple proof-of-concepts

KEY CUSTOMERS



- Largest wireless network in North America
- Won industry recognition for the best network



AT&T earns honors for best overall network performance and leads in state testing

AT&T won the U.S. Overall RootScore Award in 1H 2025, earning honors for the best overall network at the national level. The win reflected AT&T's broad strength, as the carrier also took home the most awards in both national and state-level testing. AT&T improved its award count in major metropolitan markets as well, while showing faster speeds in major cities.

Source: Ookla State of the Mobile Union Report



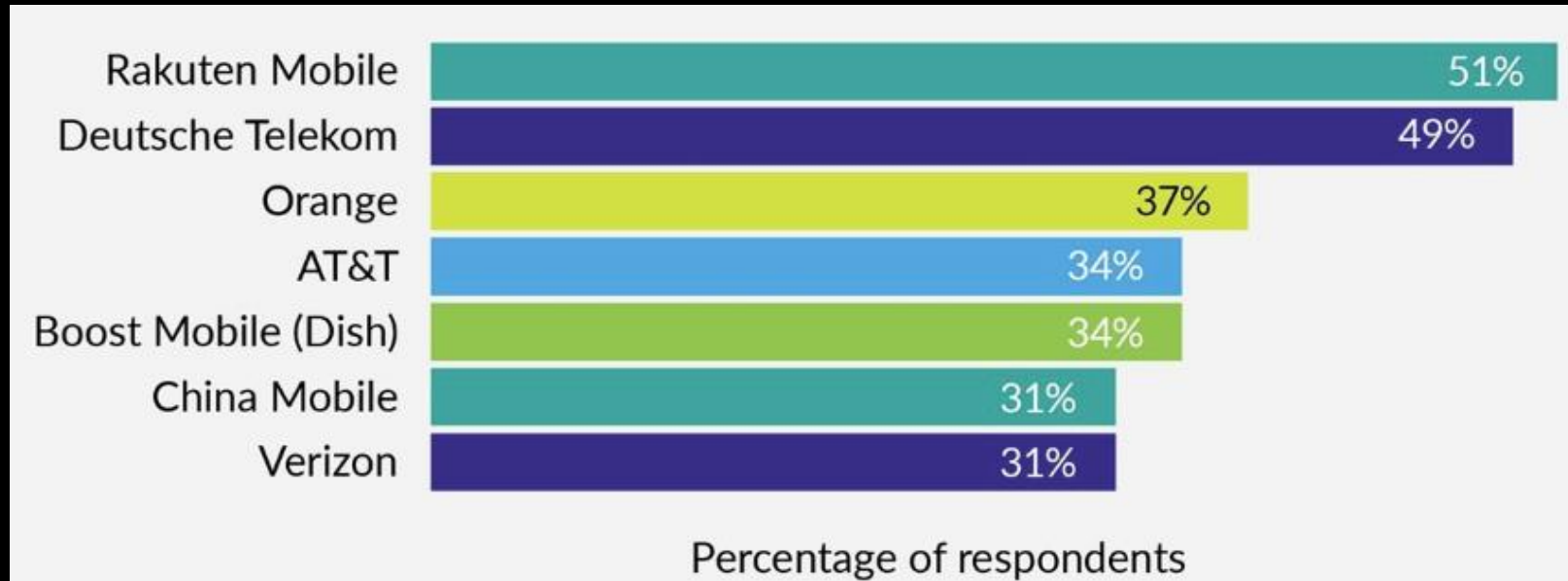
**#1 RATED 5G
COVERAGE &
RELIABILITY IN
15 US CITIES**



- Ranked number one in 5G reliability and coverage across 15 major U.S. cities by OpenSignal

Source: Boost Mobile PR, May 13, 2025

KEY CUSTOMERS (CONT'D)



Rakuten Mobile

- Grown to over 9 million subscribers
- Recognized by industry peers in the second Cloud-Native Telco Market Perception Study

TELECOM INDUSTRY TRENDS

84% of telco executives agree that AI agents will reinvent how their organizations are building and operating their digital infrastructures.

Accenture's 2025 Technology Vision

A 6% growth in the mobile core market is projected through to 2029. And in Q1 alone, operators added 145 million new 5G subscriptions globally, bringing the total to 2.4 billion.

Dell'Oro Group: Mobile Core Network & Multi-Access
Edge Computing Quarterly Report

GO-TO-MARKET ACTIVITIES

1

Network X

2

Knowledge 2025

3

DTW

4

FutureNet World

MOONSHOT CATALYST WINS

The TM Forum is a global organization that brings together telecom operators and technology providers to address common industry challenges and establish standards.



We participated in several award-winning innovation programs. Our intelligent assurance was leveraged to accelerate the launch of new services for consumers, as well as enhance their overall customer experience and ensure the delivery of mission-critical applications on demand for first responders using satellite communications.

STRATEGY BUILT ON THREE PILLARS

1

Deliver value and elevate customer satisfaction through automation, real-time visibility, and proactive assurance

2

Grow our customer base by leveraging our advanced AI and agent-based technologies

3

Expand our assurance offering and continue pioneering innovation through our strategic partnerships

Q2-2025: KEY HIGHLIGHTS

Accelerated profitability, with non-GAAP* operating income for Q2-2025 **increasing by more than 50% y-o-y**

Record-high cash and short-term bank deposits of \$101.6 million, with no debt



NVIDIA collaboration is gaining traction, running POCs with multiple operators

Integration with ServiceNow to Automate Service and Complaint Resolution for Telecom Operators

Reaffirming our full-year 2025 revenue guidance, projecting year-over-year growth of 15% to 18%, with a midpoint of \$71.1 million.

* Non-GAAP. See reconciliation tables in slide 22.



Hadar Rahav

Chief Financial Officer

Financial results and performance

Q2 2025 Financial Highlights

- **Record** revenue, representing **19.3% growth y-o-y**, on track for another year of **double-digit** growth in FY2025
- **Achieved** our highest operating profitability in years, despite currency headwinds

* Non-GAAP. See reconciliation tables in slide 22.

Q2 2025 Results

Q2 Revenue
\$17.7 million

Q2 Non-GAAP Gross Margin
76.2%

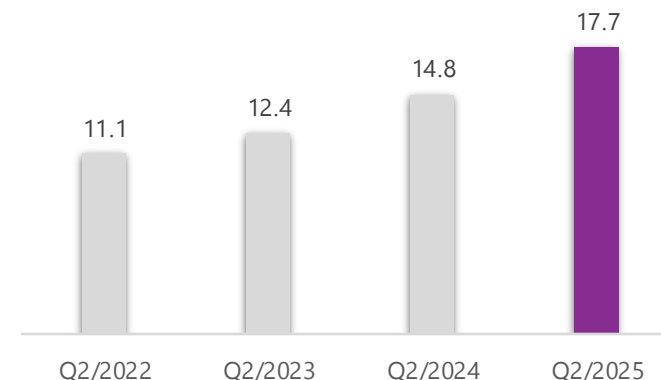
Q2 Non-GAAP* Operating Profit
\$3.4 million

Q2 Non-GAAP Operating Margin
19.5%

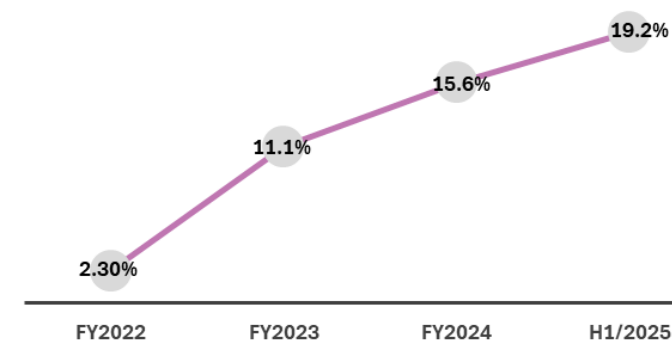
Q2 GAAP Diluted EPS
\$0.15

Q2 Non-GAAP Diluted EPS
\$0.25

Q2 Revenue historical trend (\$M)



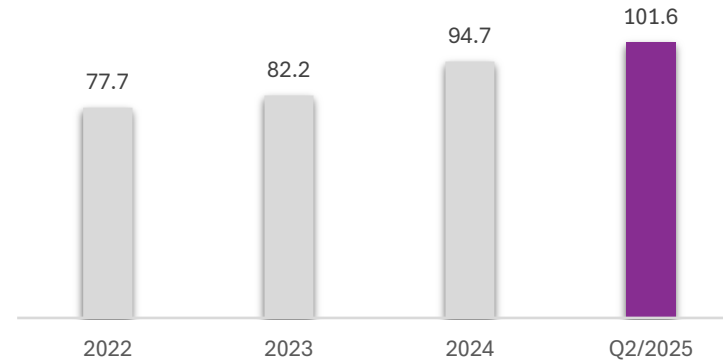
Non-GAAP Operating Margin historical trend (%)



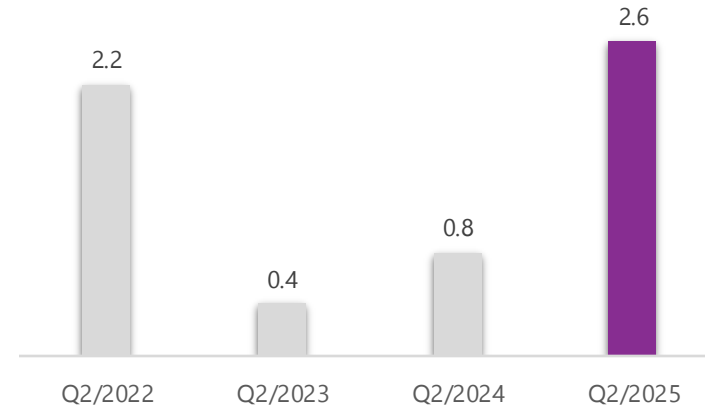
Balance Sheet & Cash Flow

- Positive cash flow of \$2.6M for Q2/25
- Ending Q2 2025 with the highest cash level & bank deposits of \$101.6M
- No debt

Cash and Bank Deposits As of (\$M)



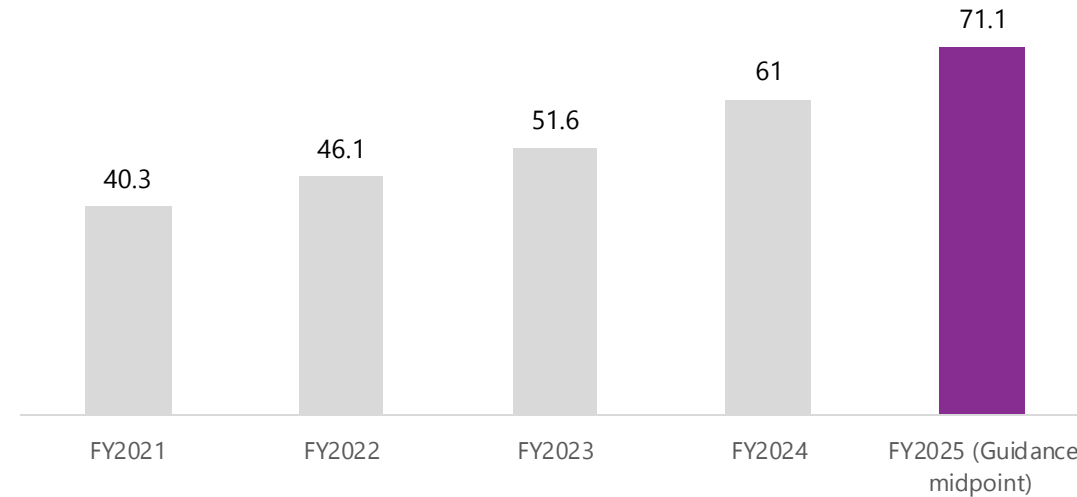
Cash Flow historical trend (\$M)



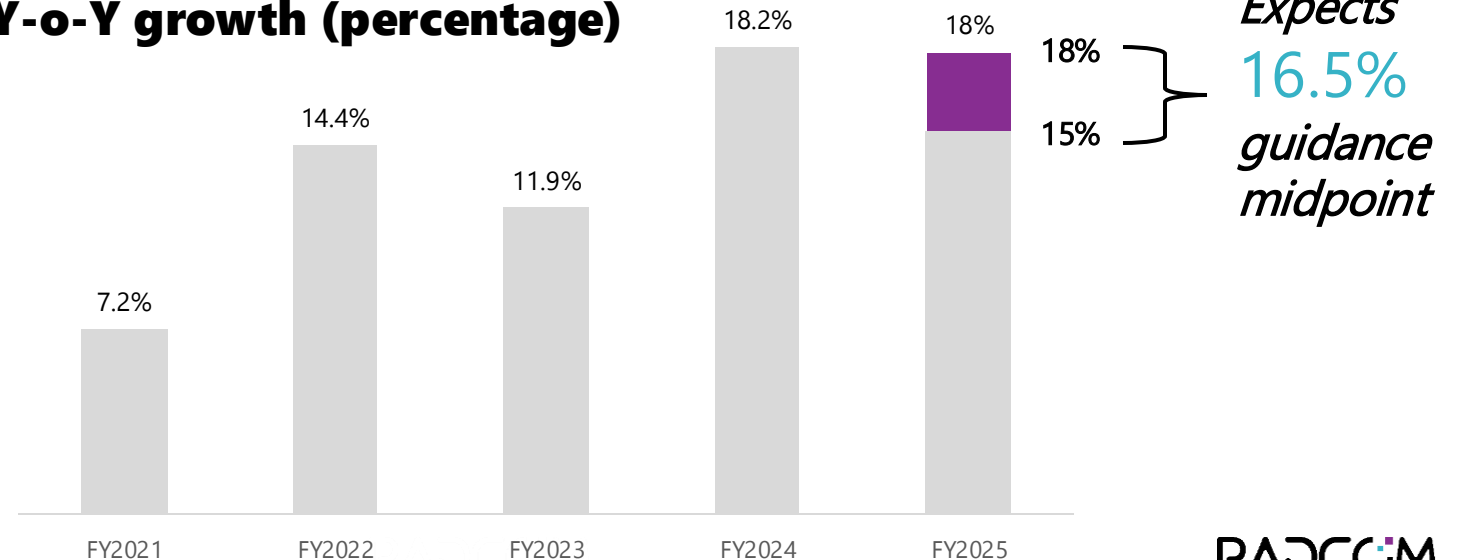
FY2025 Revenue Outlook

- Reaffirming FY 2025 revenue growth outlook of 15% - 18% YoY with midpoint of 16.5%
- Driven by a strong sales funnel, robust customer engagement, and ongoing market shifts toward intelligent, automated, real-time assurance

Five-year historical trend and FY2025 outlook (\$M)



Revenue growth Y-o-Y growth (percentage)



CONSOLIDATED STATEMENTS OF OPERATIONS (GAAP)

(In thousands of U.S. dollars, except per share data)

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Revenues	\$ 17,658	\$ 14,801	\$ 34,249	\$ 28,924
Cost of revenues	\$ 4,367	\$ 3,794	\$ 8,459	\$ 7,545
Gross profit	\$ 13,291	\$ 11,007	\$ 25,790	\$ 21,379
Gross profit %	75%	74%	75%	74%
Research and development, gross	\$ 4,964	\$ 4,621	\$ 9,713	\$ 9,214
Less - royalty-bearing participation	\$ -	\$ 180	\$ 25	\$ 389
Research and development, net	\$ 4,964	\$ 4,441	\$ 9,688	\$ 8,825
Sales and marketing	\$ 4,936	\$ 4,325	\$ 9,800	\$ 8,610
General and administrative	\$ 1,651	\$ 1,361	\$ 3,100	\$ 3,374
Total operating expenses	\$ 11,551	\$ 10,127	\$ 22,588	\$ 20,809
Operating income	\$ 1,740	\$ 880	\$ 3,202	\$ 570
Financial income, net	\$ 793	\$ 854	\$ 1,913	\$ 1,959
Income before taxes on income	\$ 2,533	\$ 1,734	\$ 5,115	\$ 2,529
Taxes on income	\$ (95)	\$ (27)	\$ (237)	\$ (60)
Net income	\$ 2,438	\$ 1,707	\$ 4,878	\$ 2,469
Basic net income per ordinary share	\$ 0.15	\$ 0.11	\$ 0.30	\$ 0.16
Diluted net income per ordinary share	\$ 0.15	\$ 0.11	\$ 0.29	\$ 0.16

CONSOLIDATED STATEMENTS OF OPERATIONS (NON-GAAP)

(In thousands of U.S. dollars, except per share data)

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	NON-GAAP (1)			
Revenues	\$ 17,658	\$ 14,801	\$ 34,249	\$ 28,924
Cost of revenues	\$ 4,211	\$ 3,639	\$ 8,148	\$ 7,250
Gross profit	\$ 13,447	\$ 11,162	\$ 26,101	\$ 21,674
Gross profit %	76%	75%	76%	75%
Research and development, gross	\$ 4,536	\$ 4,096	\$ 8,826	\$ 8,152
Less - royalty-bearing participation	\$ -	\$ 180	\$ 25	\$ 389
Research and development, net	\$ 4,536	\$ 3,916	\$ 8,801	\$ 7,763
Sales and marketing	\$ 4,325	\$ 3,811	\$ 8,538	\$ 7,563
General and administrative	\$ 1,150	\$ 1,159	\$ 2,179	\$ 2,333
Total operating expenses	\$ 10,011	\$ 8,886	\$ 19,518	\$ 17,659
Operating income	\$ 3,436	\$ 2,276	\$ 6,582	\$ 4,015
Financial income, net	\$ 814	\$ 888	\$ 1,940	\$ 2,030
Income before taxes on income	\$ 4,250	\$ 3,164	\$ 8,522	\$ 6,045
Taxes on income	\$ (95)	\$ (27)	\$ (237)	\$ (60)
Net income	\$ 4,155	\$ 3,137	\$ 8,285	\$ 5,985
Basic net income per ordinary share	\$ 0.26	\$ 0.20	\$ 0.51	\$ 0.39
Diluted net income per ordinary share	\$ 0.25	\$ 0.20	\$ 0.50	\$ 0.38

(1) Amounts exclude non-cash stock-based compensation expenses, financial income (expenses), acquisition-related expenses and amortization of intangible assets related to acquisitions.

RECONCILIATION BETWEEN GAAP & NON-GAAP CONSOLIDATED STATEMENTS OF OPERATIONS

GAAP gross profit
 Stock-based compensation
 Amortization of intangible assets
 Non-GAAP gross profit
 GAAP Research and development, net
 Stock-based compensation
 Non-GAAP Research and development, net
 GAAP Sales and marketing
 Stock-based compensation
 Amortization of intangible assets
 Non-GAAP sales and marketing
 GAAP general and administrative
 Stock-based compensation
 Non-GAAP general and administrative
 GAAP total operating expenses
 Stock-based compensation
 Amortization of intangible assets
 Non-GAAP total operating expenses
 GAAP operating Income
 Stock-based compensation
 Amortization expenses
 Non-GAAP operating income

(In thousands of U.S. dollars, except per share data)

Three months ended June 30,		Six months ended June 30,	
2025	2024	2025	2024
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
13,291	11,007	25,790	21,379
100	99	199	183
56	56	111	112
13,447	11,162	26,100	21,674
4,964	4,441	9,688	8,825
428	525	887	1,062
4,536	3,916	8,801	7,763
4,936	4,325	9,800	8,610
583	485	1,205	989
28	29	57	58
4,325	3,811	8,538	7,563
1,651	1,361	3,100	3,374
501	202	921	1,041
1,150	1,159	2,179	2,333
11,551	10,127	22,588	20,809
1,512	1,212	3,013	3,092
28	29	57	58
10,011	8,886	19,518	17,659
1,740	880	3,202	570
1,612	1,311	3,212	3,275
84	85	168	170
3,436	2,276	6,582	4,015

RECONCILIATION BETWEEN GAAP & NON-GAAP CONSOLIDATED STATEMENTS OF OPERATIONS

GAAP income before taxes	
Stock-based compensation	
Amortization of intangible assets	
Financial expenses	
Non-GAAP income before taxes	
GAAP net income	
Stock-based compensation	
Amortization of intangible assets	
Financial expenses	
Non GAAP net income	
GAAP Net income per diluted share	
Stock-based compensation	
Amortization of intangible assets	
Financial expenses	
Non GAAP Net income per diluted share	
Weighted average number of shares used to compute diluted net loss per share	

(In thousands of U.S. dollars, except per share data)

Three months ended June 30,		Six months ended June 30,	
2025	2024	2025	2024
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
2,533	1,734	5,115	2,529
1,612	1,311	3,212	3,275
84	85	168	170
21	34	27	71
4,250	3,164	8,522	6,045
2,438	1,707	4,878	2,469
1,612	1,311	3,212	3,275
84	85	168	170
21	34	27	71
4,155	3,137	8,285	5,985
0.15	0.11	0.29	0.16
0.10	0.08	0.20	0.21
(*)	0.01	0.01	0.01
(*)	(*)	(*)	(*)
0.25	0.20	0.50	0.38
16,711,789	15,978,799	16,686,397	15,922,855

CONSOLIDATED BALANCE SHEETS

(In thousands of U.S. dollars, except per share data)

	As of June 30, 2025	As of December 31, 2024
Cash and cash equivalents	\$ 21,910	\$ 19,243
Short-term bank deposits	\$ 79,722	\$ 75,429
Trade receivables, net	\$ 18,603	\$ 19,038
Inventories	\$ 1,218	\$ 1,667
Other accounts receivable and prepaid expenses	\$ 1,993	\$ 1,819
Total Current Assets	\$ 123,446	\$ 117,196
Severance pay fund	\$ 3,243	\$ 2,985
Other long-term receivables	\$ 3,053	\$ 3,484
Property and equipment, net	\$ 889	\$ 879
Goodwill and intangible assets, net	\$ 2,440	\$ 2,609
Operating lease right-of-use assets	\$ 3,314	\$ 3,421
Total Non-Current Assets	\$ 12,939	\$ 13,378
Total Assets	\$ 136,385	\$ 130,574
Trade payables	\$ 3,689	\$ 2,457
Deferred revenues and advances from customers	\$ 4,807	\$ 6,848
Employee and payroll accruals	\$ 6,106	\$ 7,175
Operating lease liabilities	\$ 1,026	\$ 966
Other liabilities and accrued expenses	\$ 9,171	\$ 10,463
Total Current Liabilities	\$ 24,799	\$ 27,909
Accrued severance pay	\$ 4,330	\$ 3,868
Operating lease liabilities	\$ 2,520	\$ 2,438
Other liabilities and accrued expenses	\$ 656	\$ 683
Total Non-Current Liabilities	\$ 7,506	\$ 6,989
Total Liabilities	\$ 32,305	\$ 34,898
Shareholders' Equity	\$ 104,080	\$ 95,676
Total Liabilities and Shareholders' Equity	\$ 136,385	\$ 130,574



THANK YOU